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## **BAUCUS, HATCH PROTECT U.S. INTELLECTUAL PROPERTY, AMERICAN JOBS IN NEW LEGISLATION**

*Senators provide funding, framework to enforce U.S. IP rights around the world*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) and senior panel member Sen. Orrin Hatch (R-Utah) today unveiled legislation that will reduce the theft of U.S. intellectual property around the world – including the piracy of American films, the counterfeiting of American-designed products, and other violations of U.S. intellectual property rights (IPR) worldwide. The International Intellectual Property Protection and Enforcement Act of 2008 requires the United States Trade Representative to spur countries that violate U.S. intellectual property rights to take specific steps to stop IP violations, provides funds to increase USTR's capability to work with developing countries to improve IP protection and enforcement, and gives the President powerful enforcement tools to deal with countries that refuse to fight widespread theft of U.S. intellectual property.

**"We can't stamp 'Made in America' on an idea, but Congress can do more to protect American intellectual property around the world. Countless jobs here in America are born from the concepts, products, and ideas of our people. So we can't let other countries repeatedly rip off the movies Americans make, the products Americans design, and the other fruits of American ingenuity without taking some action,"** said Senator Baucus. **"The Baucus-Hatch bill really seeks to stop the stealing of U.S. intellectual property before it happens, by pushing other countries to fight the problem wholesale, but if violations persist our bill also provides ways for a President to crack down. Globalization only makes it easier for criminals in other countries to steal American ideas. This bill protects U.S. intellectual property around the world, and safeguards jobs here at home, too."**

Senator Hatch stated, **"This landmark legislation will serve as an important bridge in the battle to protect U.S. intellectual property rights overseas. With the rising tide of piracy and counterfeiting abroad, it is vital that we provide those working on the front lines with the tools they need to ensure that our nation's intellectual property rights are lawfully respected by foreign countries."**

Intellectual property rights – such as copyrights, trademarks, and patents -- grant their owners exclusive rights to commercially exploit creative works and other inventions. They are protected through the domestic laws of countries around the world, as well as through various international treaties. The Baucus-Hatch International Intellectual Property Protection and Enforcement Act is described in detail below. Key components include:

- **required "action plans"** for countries violating American intellectual property rights, with specific steps to clean up IPR violations and establish real access for U.S. goods

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- **enforcement tools** for the President, including prohibiting Federal procurement from and stopping international financing to nations that violate U.S. intellectual property rights
- **funding** that will allow USTR to help developing countries get a handle on violations and comply with action plans
- **increased staffing** at foreign embassies to protect and enforce American IP rights.

The Baucus-Hatch bill is expected to be referred to the Finance Committee, which has jurisdiction over U.S. trade policy.

## International Intellectual Property Protection & Enforcement Act of 2008

Senate Finance Committee Chairman Max Baucus (D-MT) and Senator Orrin Hatch (R-UT) introduced legislation on September 10, 2008, to shore up the administration's international intellectual property protection and enforcement tools. With globalization increasing at an ever more rapid pace, we must ensure that U.S. intellectual property rights, and the jobs that depend on them, have full protection overseas.

### Provisions of the Act include:

- **Action Plans.** The bill requires the United States Trade Representative (USTR) to develop an action plan for each foreign country that has remained on USTR's "Priority Watch List" of intellectual property deficient countries for at least one year. The action plan must list the legislative, enforcement, or other actions that the foreign country must take in order to achieve adequate and effective protection of intellectual property rights, and fair and equitable market access for U.S. companies that rely on intellectual property protection.
- **Enforcement Actions.** If a foreign country has not complied with its action plan within one year, the bill authorizes the President to take various enforcement actions against the country. These actions include (1) prohibiting federal government procurement from the foreign country; (2) prohibiting new financing by the Overseas Private Investment Corporation and the Export-Import Bank of the United States with respect to projects in, or exports to, the foreign country; and (3) withdrawing any preferential treatment for which the foreign country qualifies under the Generalized System of Preferences or other U.S. preference programs.
- **Developing Country Assistance.** The bill authorizes appropriations to USTR to assist developing countries in complying with their action plans. Such assistance may include capacity building, activities designed to increase awareness of intellectual property rights, and training for officials responsible for enforcing intellectual property rights in the developing country.
- **Congressional Report.** The bill requires USTR to include, in its annual "Special 301" report, a description of the action plan developed for each country and the actions taken by each country pursuant to that plan.

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- **Intellectual Property Officials.** The bill requires the President to ensure that intellectual property officials are placed in the U.S. embassy of each foreign country that has a commercially significant relationship with the United States. The official will (1) serve as a liaison between the United States and the foreign country on matters relating to intellectual property protection and enforcement; and (2) gather and provide information requested by USTR for purposes of developing or determining compliance with the intellectual property action plans.

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